



Last week there were prosecutions in London of reputable persons who treated sovereigns as a commodity, because gold was worth more as bullion than as sovereigns. That is to say, sovereigns worthy the name will buy more outside of England than at home. That is our bid for loanable funds, and it is better than raising the bank bid for deposits, and our commercial discounts.

The class of trade which worries about the call money market is not the class entitled to consideration by the Federal Reserve Banks in comparison with the support of productive trade. But there is speculation in commodities as well as in securities, perhaps more of it, and some of it of an obnoxious sort. The Bureau of Markets reports that on New Year's there were in cold storage 10,000,000 more pounds of butter than a year ago, 53,000,000 pounds of cheese against 19,822,000 in 1919, and 19,314,233 dozen eggs against 8,979,000. Meanwhile Danish butter is being imported. All those foods are better for quick consumption. There is something wrong when our prices are above those of hungry Europe, and when there is a growth of stocks which are not used on either side the ocean. For a fortnight the Fair Price Committee has refused to quote prices which it deemed not justified, and at the week end it issued a list showing a fall of 13 cents, butter leading the way. If it is the function of the Federal Reserve to encourage the use of funds for production, it is also its function to discourage the use of funds to hold production out of consumption. The Federal Reserve is a fount of credit, not of capital. Its resources should be at the use of those who look for their profits in production for use, not in a change of prices. Rules cannot be formulated on such subjects. They are matters of bankers' discretion, and are liable to misconstruction as matters of favor by the "money trust." It is better to do the work and to take the criticism than to raise commercial discounts unwisely.

STABILIZING MONEY RATES.

There is to be a continuance at Chicago this week of the conference at Washington which failed to settle the relation between the rates for rediscounts by the Federal Reserve and rates for deposits fixed by the nation's Clearing Houses. The Federal Reserve wishes such a severance of the relations between the two prices for money that the Federal Reserve may control the money market without starting a domestic scramble for funds which could not fail of effect throughout the world. All signs fail in dry weather, and this is financial weather of a sort which makes it highly desirable that the command of the money market should be in the hands of the Federal Reserve, and that the Clearing Houses should avoid embarrassing it in its effort to establish an American rate for money fixed with reference to the public interest, without regard to banking profits. The Federal Reserve functions as a whole, while the Clearing Houses are independent. The Federal Reserve has all but accomplished the alleged impossibility of establishing a continental rate for funds, and it never could have done that if its districts had competed with themselves.

The objective is a low rate for productive purposes, and that can never be attained by the banks' purchase of deposits. The cost must be added to the charge to borrowers, and the banks should not try to turn their liabilities into investments. The disuse of payment for deposits is a counsel of perfection, but it is a poor time for the banks to bid when trade use bids so much higher that there is a scarcity of floating funds.

It is being said that it would be conservative to raise our rate to the British rate, and that the Federal Reserve is considering raising its commercial rate as the sequel to its discouragement of speculation. The reduction of the nations of trade is a poor way to foster it, and the Bank of England has lost command of the money market despite a policy of rate raising. London bankers have discovered that what the occasion calls for to restore pre-war leadership is currency reform, for rate raising when currency is not exportable, because not convertible, has no effect in correcting the exchanges. There can be no competition between the Federal Reserve and the Bank of England—the only other world market which retains a shred of authority—when one market is on a specie basis and the other on a paper basis. Those who want to borrow paper may be left to pay the British rate. Those who want to borrow gold and buy goods in the world's fullest and cheapest market will make better bargains here. Gold markets are always the lowest markets, the surest markets, the only markets attractive to those with floating funds awaiting use. That is our best bid for loanable funds, and the London banks have seen more clearly than ours the futility of competing with us. After the previous increases of our rate the Bank of England moved up its rate to the level suggested for us. But London bank circulars attest that the high rate has neither reduced prices, nor attracted funds, nor stopped speculation, nor "produced one single substantial benefit to counterbalance manifest disadvantages." Accordingly England has "dug in" for currency reform. How foolish for us to follow where England found disappointment, at least until the two currencies are exchangeable at par!

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The New York Times.

SUNDAY, JANUARY 18, 1920.

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BRIDGES, one cannot help regretting that Mr. RUDYARD KIPLING is not Poet Laureate of England long enough to compose, with his old fire and force, a fitting ode in commemoration of this new method of defending India.

THE LOST TWENTY YEARS.

An atmosphere of mystery has brooded over the twenty years as to which HENRY is silent in his much-read auto-

world called "irony." The Beverly woods never saw him again, until in the serenity of his eightieth year he returned unexpectedly.

As to what ADAMS felt, Miss LA FARGE quotes his own description of suffering in his "Chartres" book. "People who suffer beyond the formulas of expression—who are crushed into silence, and beyond pain—want no display of emotion—no bleeding heart—no weeping—at the foot of the Cross—no have

have no authority now in history. It was the union idea, not their abolition idea, that united the North and won the war. To appeal carelessly to an accidental collection of illustrious men gives no strength to the appeal. Here, as elsewhere, for centuries there were injustice, intolerance, a deficient idea of freedom; but because our ancestors were more rigorous in doctrine and practice than we is the least of all reasons to use their names as sponsors for the counsel of error.

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Welcome to the new viewer. Tell us what you think.

THE NEW YORK TIMES, JANUARY 18, 1920. This is the first issue of the New York Times since the fire at the New York Times Building on January 15, 1920. The fire destroyed the building and the contents of the building, including the printing press. The New York Times is now being printed at the New York Times Building, 150 Nassau Street, New York City.

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PEACE BY SURRENDER.

The Russian blockade is lifted. Mr. Lloyd George, having failed to kill the wolf, now offers him a juicy bone. For the first time in its history the British Empire has adopted the policy of buying off a dangerous enemy—a policy which, to be sure, was successfully employed on occasion by famous empires of the past, but which is as unlikely to bring permanent and satisfactory peace at this time as it is inconsistent with the habit of British foreign policy. To be sure, the surrender is welcomed by the selfish nations that we are responding trade, not with the Bolsheviks, but with the Russian cooperative, and that our policy toward the Soviet Government resembles the same. But nothing can be kept into Russia without coming into the possession of the Soviet Government if that Government wants it whatever the position of the Russian cooperative, the party which controls the exports, the railways, the army, the factories, will be in a position to take and use everything that is sent in. And to say that the shipment of supplies of all sorts to a Government which is our enemy involves no change of policy is as ridiculous as the Russian Council nor hardly have hoped that anybody would believe it.

This reversal of world policy overnight is beyond doubt the work of Mr. Lloyd George himself. It is a characteristic specimen of those "brilliant improvisations" by which he has reached from ignorance to piety, like the Rocky Mountain

obvious, of course, is the influence of the British Labor Party. In this body there are very few downright Bolsheviks, but it is preponderantly pro-Bolshevik. If a Red army appeared on the other side of the Strait of Dover, the average British Laborite would probably take up his rifle for the defense of England; but, like most democrats, British Labor cannot see a danger until it reaches Oxford and Calais.

But this is not the only factor. Bolshevik industry is reviving under the direction of Gennady Krasny, before a war Russian representative of the Siemens-Halske interests of Berlin. This is to say, Germany has 'he inside track in the race for commercial domination of Russia. Mr. Lloyd George or his supporters may have been inspired in part by the fantastic hope of outstripping the Germans, if they can start now. The Germans have more than the inside track—they have an enormous number of business men who know Russia and are known in Russia, while the British have very few. On the commercial side, it is to be feared that Mr. Lloyd George's surrender will give birth to a somewhat ridiculous mood.

Above all, there is the snare to India and to the newly won British possessions in Persia and Mesopotamia, from the Bolshevik advance in Transcaucasia and Turkestan. Bolshevik agents are already at Herat and going on to Kabul and Kandahar—historic names whose reappearance must ring like an alarm bell in the ears of all Englishmen whose memory includes even the last forty years of their own history. But much of the Labor Party is doctrinally hostile to the idea of empire, and the great majority of the Labor Party has simply no understanding of the meaning of the empire. To be sure, there are the old "governing classes" or such part of them as has been killed in the war; but Mr. Lloyd George was appealing a few days ago when he made that extraordinarily indelicate remark about Lord Beaconsfield's fear of Russian expansion, and to the hearing on refusal of support to DENIKIN. That remark did as much as anything could to turn Russians

into, and all wanted to know the meaning. "A strange encounter that, for a man who was preternaturally shy—sensitive to the point of pain?" "None—felt what would have been a nursery instinct to a Hindu baby or a Japanese 'jinrikisha-runner.' The only ones who gained a definite impression were the clergy." "One after another brought companions there, and, apparently fascinated by their own reflection, broke out passionately against the expression—they felt in the figure-of-dog, of atheism, of denial. Like others, the priest saw only what he brought. Like all great artists, SAINT-GAUDENS held up the mirror, and no more. The American layman had lost sight of 'Ideals; the American priest had lost 'sight of faith.' But as to the real meaning of the figure, in its relationship to his life and all-important 'education,' ABRAHAM says no word. One gathers at best that it was not despair, not atheism, not denial.

The gap is now filled, charmingly and most satisfactorily, by MRS. LA FARGE in the current Yale Review. Mrs. La FARGE was intimate with ABRAHAM and his wife from childhood and possesses a continuous correspondence with him covering twenty-eight years. She was one of the "nurses" to whom he whimsically addressed his "Mont Saint Michel and Chartres," changing "son" in the old lines so that they go:

My dear son, when I was alone.

Of his boyhood, and the often severe doubt he took in jabbing his quill into the unresponsive, of which his comment upon the clergyman at Rock Creek is a characteristic example. Mrs. La FARGE makes no concealment. But it was, indeed, a fundamental trait in his literary style and in his thought. "It made life exciting and varied in his presence. The boyhood was nearly always in conceal a ray of tenderness—that had escaped him." The letters of JOHN HAY often allude to ABRAHAM's cholerical sympathies. "Once," writes Miss

the Virgin of Chartres had been revealed to him, "the Divine Mother of the West—blended in his mind, in the monument, with the Virgin of the East." By his own wish he was buried beneath the monument.

Unappreciated in his lifetime except as the voluminous historian of the administration of JEFFERSON and MONROE, and counting himself as a sentimentist and a failure, HENRY ABRAHAM has been revealed in his posthumous works as one of the few authentic geniuses of American letters—an original, if also a humorist, and eccentric philosopher, for whom thought kindled always in the passion of the spirit.

OUR NATIVE RADICALS.

The case of the Rev. FRANK STRECKEN GRANT, rector of the Church of the Ascension in this city, is worth noting. It is not individual. It represents the opinion of a small but active class, the United States, a class which does not many social and educational advantages that have simply served to differentiate it from the great body of Americans. Let us forget Mr. GRANT, personally, for a moment and read his history as he understands it, and his authorities, as he understands them, for sympathizing with the people who are trying to overthrow the American policy. His people "came over" early. He was educated at the Roxbury Latin School, "founded in 1645." The story of his supposed opinions, the stranger seems his reliance on them. Much can be said for good and for evil. It is not the story of his principles and their actions, that Mr. GRANT does. The subject of American liberty was violated, it seems, when the "Soviet Ark" was entrusted to the waters on the same day of the month which saw the Mayflower come to Platte Beach.

Let us imagine, if we can, the Broad-ronde and the Westons sheltering for one moment people who tried to destroy their theory of government. The old New England theory was by no means

disciplines of murder must be allowed to stay with us. Because Christmas mince pie and the Maypole stirred the wrath of choleric MEXA STACOUSI; because the Puritans deported members of sects whom everybody respected nowadays, why, murderers, bomb-droppers, organizers of massacre, deliberate enemies of this Government and of any Government where orderly freedom and social justice exist, must not be driven away and DIME must be set free. Because certain Puritans deported persons, harmless, from the modern point of view, we must not deport rank assassins. Members of "society," New England "families" who labor under that great illusion are entitled, doubtless, to all their genealogical distinctions; but the majority of us, hearing these, are divided between astonishment and wrath.

STABILIZING MONEY RATES.

There is to be a coin sale at Chicago this week of the conference at Washington which failed to settle the relation between the rates for retirement by the Federal Reserve and rates for deposits fixed by the nation's Clearing House. The Federal Reserve within hours of the meeting of the conference had been devoted to the treatment of the clearing by holding fast to whatever traditions of teaching and by neglecting to buy up with the power developments, particularly as concerns the use of "familiar" Latin in speaking and writing.

Chicago has been reliable in many times, as, for example, in training in antiquated tradition requirement for thirty years after it had been abandoned by progressive thinkers, but of the charge of having neglected "familiar" Latin is a criticism. And of the facts are all the other way, and are as follows:

As early as 1810 Teachers College announced a course in Latin composition, probably the first course of the kind to be offered in any American college. This course has been given every year since that time, always with an interested body of students. In the summer session of 1912 Dr. Hiram Prentiss of the Yale School, Cambridge, was one of the "one of two famous scholars" to which Teachers College, followed by course in the direct method of teaching Latin at Teachers College, which were attended by nearly fifty eager students from all over the country. A large number of them were now teaching Latin by the method

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FAMILIAR LATIN.

The Latin has on many occasions shown its love for the Summatia and its sympathy with the efforts of those who have been striving to make them a more vital factor in our American system of education. Hence classical teachers were prepared for the editorial article regarding the denouement of the Latin at Columbia.

The unworldly reader, however, might draw from the editorial the conclusion that Columbia had been devoted to the treatment of the clearing by holding fast to whatever traditions of teaching and by neglecting to buy up with the power developments, particularly as concerns the use of "familiar" Latin in speaking and writing.

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PROHIBITION COMPENSATION.

The Editor of The New York Times: Referring to your editorial article relative to the result of the recent vote on dry legislation in New Zealand, I rise to remark that prohibition as proposed there is something entirely different from prohibition as we know it in this country.

Had the dry proposal carried, all those from monthly interest would have been removed from the market, and it was as rapidly provided. Confessions in smoking saloons alone is the nature of the people out there, and the nature of the rest of the civilized world. When France abolished alcoholic consumption, but so on the rest of the civilized world. When France abolished alcoholic consumption, but so on the rest of the civilized world. When France abolished alcoholic consumption, but so on the rest of the civilized world.

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